

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
SOUTH ANDERSON WATER DISTRICT) 2017-00386

ORDER

On September 22, 2017, South Anderson Water District (“South Anderson”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. South Anderson purchases water from the Frankfort Plant Board (“Frankfort”) and the city of Lawrenceburg (“Lawrenceburg”).

2. Frankfort notified South Anderson that its wholesale rate would increase from \$2.65 per 1,000 gallons to \$2.75 per 1,000 gallons effective November 1, 2017.² Lawrenceburg notified South Anderson that its wholesale rate would increase from \$2.86 per 1,000 gallons to \$3.08 per 1,000 gallons effective September 1, 2017.³ South

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00778 (Ky. PSC filed Dec 19, 2014); The tariff was accepted for filing by the Commission by letter dated Jan. 9, 2015.

³ TFS 2017-00403 (Ky. PSC filed July 25, 2017); The tariff was accepted for filing by the Commission by letter dated Aug. 31, 2017.

Anderson proposes to increase the water rates to its customers effective November 1, 2017, to reflect the increased cost of purchased water from Frankfort and Lawrenceburg.

3. South Anderson proposed a purchased water adjustment factor of \$0.154 per 1,000 gallons in its application, based on a calculation of its increased cost of water being \$0.154 per 1,000 gallons. South Anderson included proposed rates reflecting an increase of \$0.150 per 1,000 gallons. By letter, South Anderson has subsequently requested to amend its application to propose a revised purchased water adjustment factor of \$0.160 per 1,000 gallons for its retail rates to reflect a rounding up of its increased cost of purchase water, rather than its prior proposal to round down. South Anderson proposed not to round the purchased water adjustment factor for its wholesale rates. South Anderson filed a revised schedule of rates to reflect the proposed purchased water adjustment.⁴

4. During the 12 months ended August 31, 2017, South Anderson purchased 106,205,800 gallons of water from Frankfort and 76,835,600 gallons of water from Lawrenceburg. During the same period, South Anderson sold 183,041,400 gallons of water. The increase in the cost of purchased water is \$27,524.41, resulting in a purchased water adjustment factor of \$0.154 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.160 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved for retail sales.

⁴ Letter from Ken Taylor, President of Kenvirons Eng., South Anderson Water District to the Executive Director, Public Service Commission, filed Oct. 13, 2017.

6. The purchased water adjustment factor of \$0.154 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved for wholesale sales to North Mercer Water District.

7. South Anderson's proposed rates, as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by South Anderson on and after November 1, 2017.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.160 per 1,000 gallons is approved for retail sales.

2. The purchased water adjustment factor of \$0.154 per 1,000 gallons is approved for wholesale sales to North Mercer Water District.

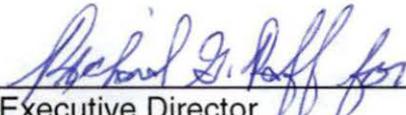
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by South Anderson on and after November 1, 2017.

4. Within 20 days of the date of this Order, South Anderson shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2017-00386 DATED **OCT 19 2017**

	New Rate	Base Rate
South Anderson Frankfort		
Purchases in gallons	106,205,800	106,205,800
	<u>\$ 2.75/1,000</u>	<u>\$ 2.65/1,000</u>
Total	\$292,065.95	\$281,445.37
Lawrenceburg		
Purchases in gallons	76,835,600	76,835,600
	<u>\$ 3.08/1,000</u>	<u>\$ 2.86/1,000</u>
Total	\$236,653.65	\$219,749.82
Increased water cost		\$ 27,524.41
Increased water cost		\$ 27,524.41
Divided by gallons sold/1,000		<u>178,729,748</u>
Purchased water adjustment factor		\$ 0.154 per 1,000 Gallons or \$ 0.160 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2017-00386 DATED **OCT 19 2017**

The following rates and charges are prescribed for the customers in the area served by South Anderson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 Gallons	\$19.93 Minimum Bill
Next	3,000 Gallons	9.79 per 1,000 Gallons
Next	5,000 Gallons	7.54 per 1,000 Gallons
Over	10,000 Gallons	6.04 per 1,000 Gallons

Bulk Loading Station 4.07 per 1,000 Gallons

Wholesale Rate

North Mercer Water District

First	3,000,000 Gallons	10,654.20 per Minimum Bill or \$3.5514 per 1,000 Gallons
All Over	3,000,000 Gallons	\$3.0481 per 1,000 Gallons

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